Real Estate and Economic Outlook

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Chief Economist
National Association of REALTORS®

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30-Yr Treasury Bond Yields ... Highest Since?



Source: Federal Reserve

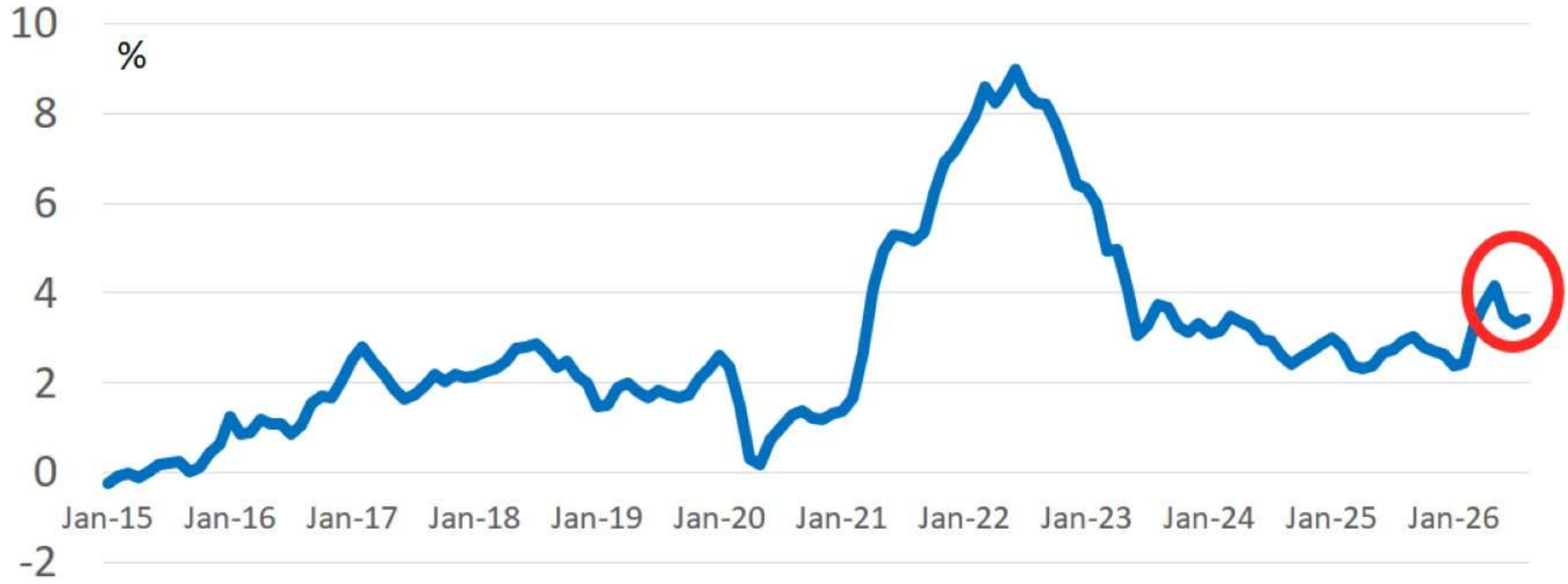
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Why Higher Long-term Interest Rates?

1. Inflation not subsiding … oil price shock
2. Tight Labor Market
3. Massive Government Borrowing
4. Weaking of the Mighty Dollar
5. AI Investment Boom

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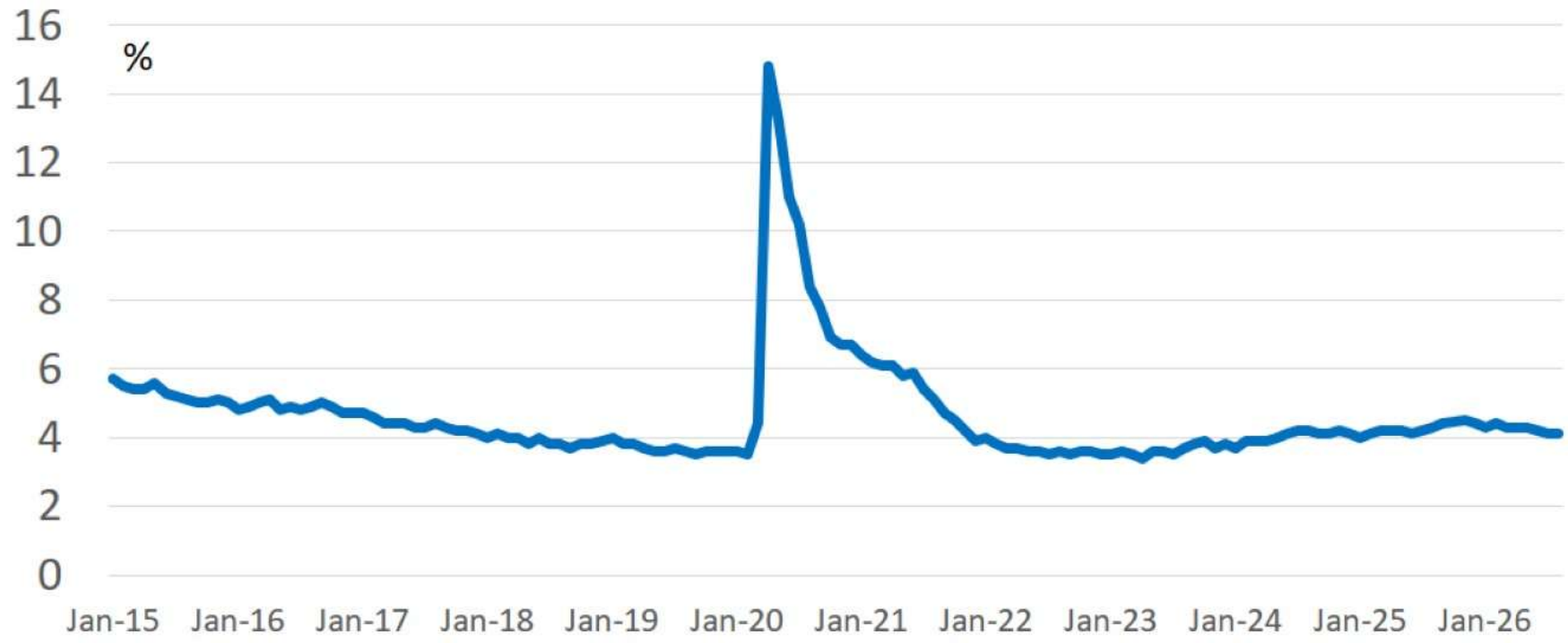
Consumer Price Inflation 3.4% (red)
… Above 2% Target



Source: BLS

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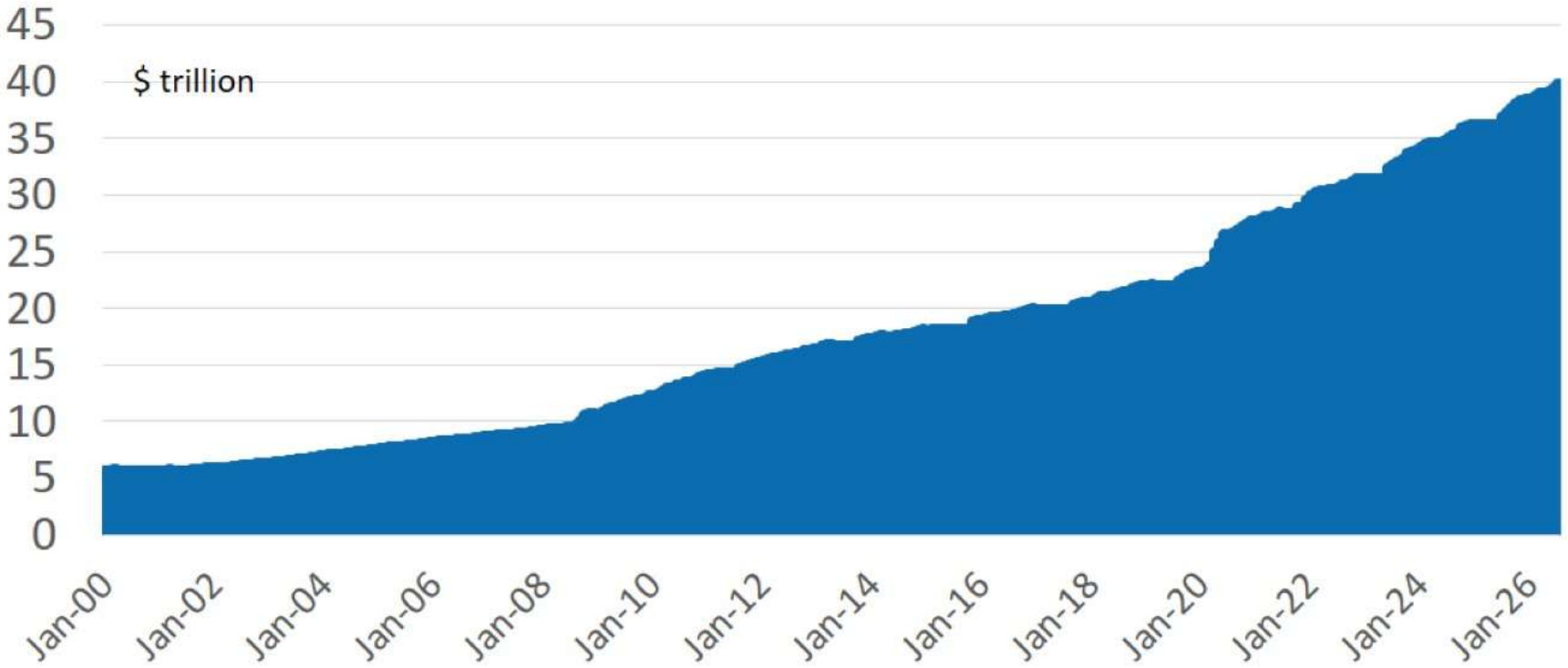
Low Unemployment Rate of 4.1% as of August



Source: BLS

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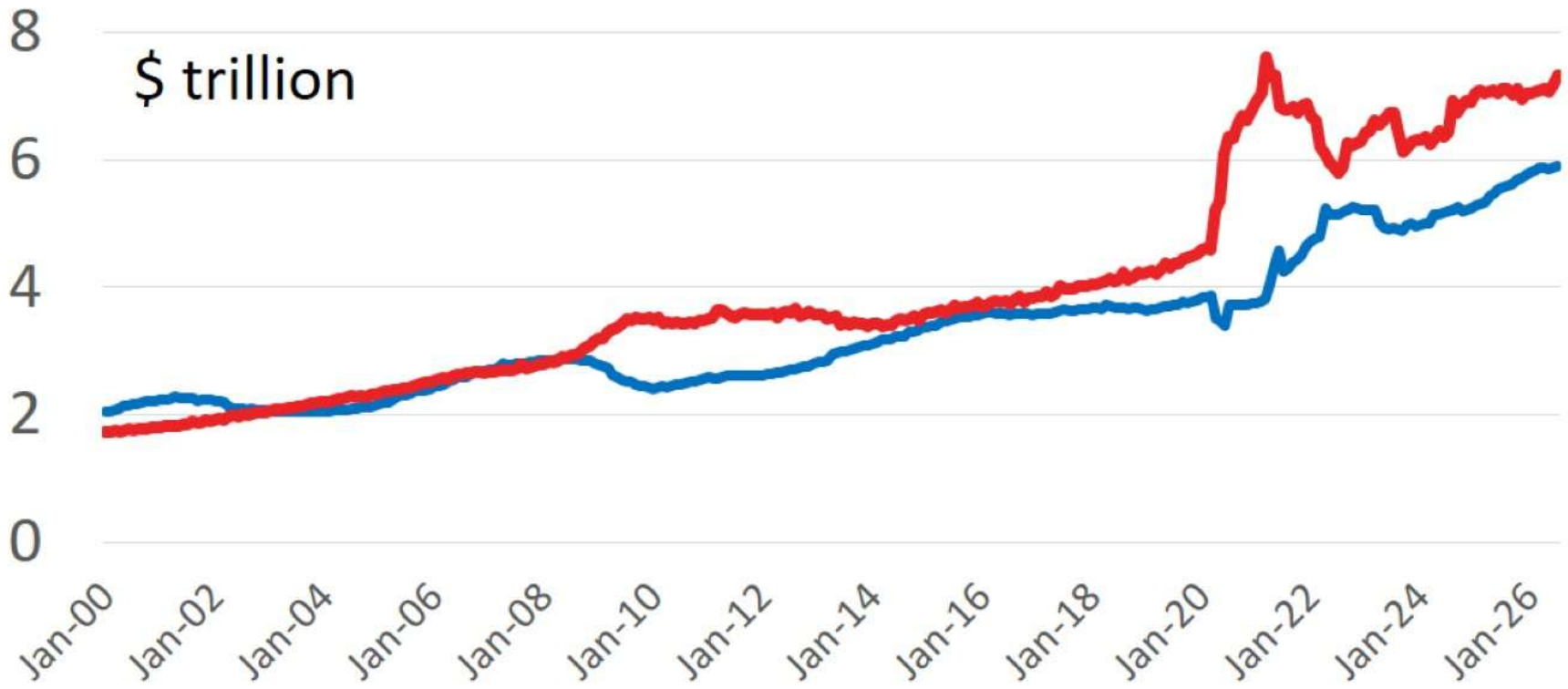
Federal Government Cumulative Debt



Source: NAR analysis of monthly Treasury statements

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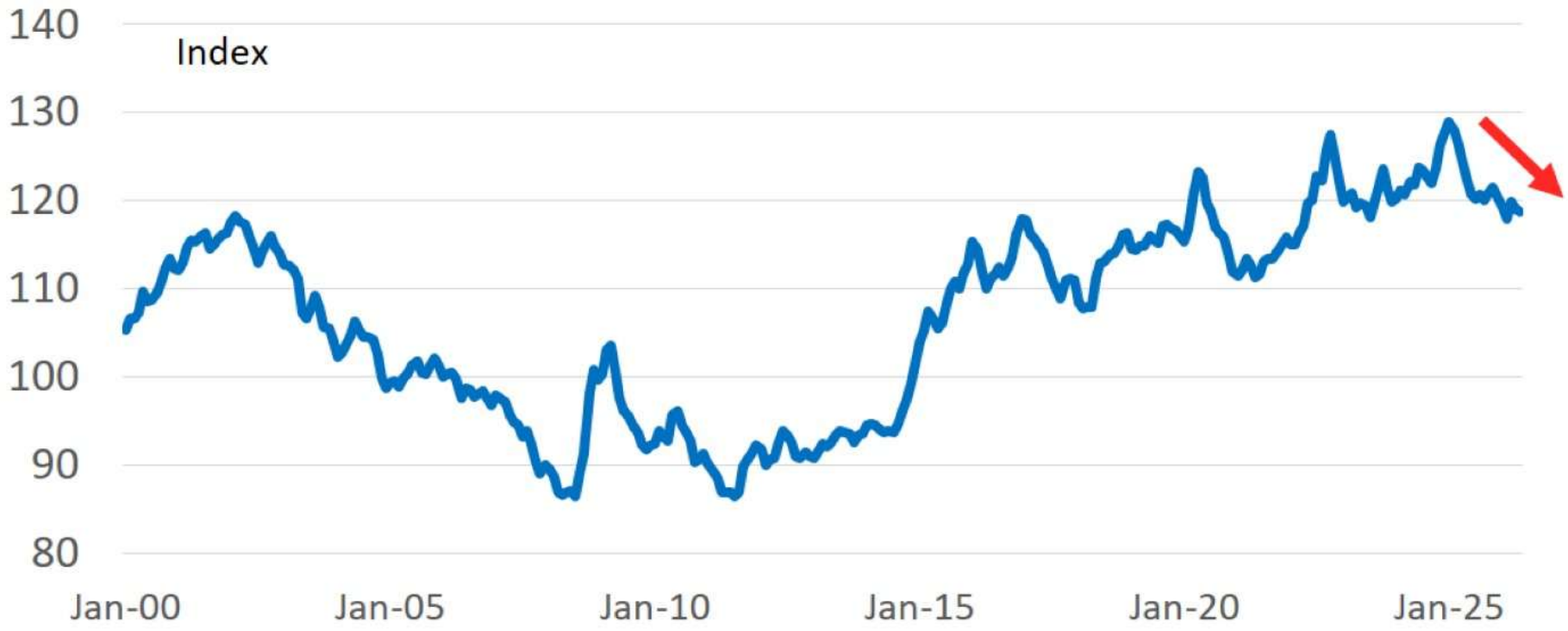
Federal Government Outlays and Receipts
(rolling 12-month total)



Source: NAR analysis of monthly Treasury statements

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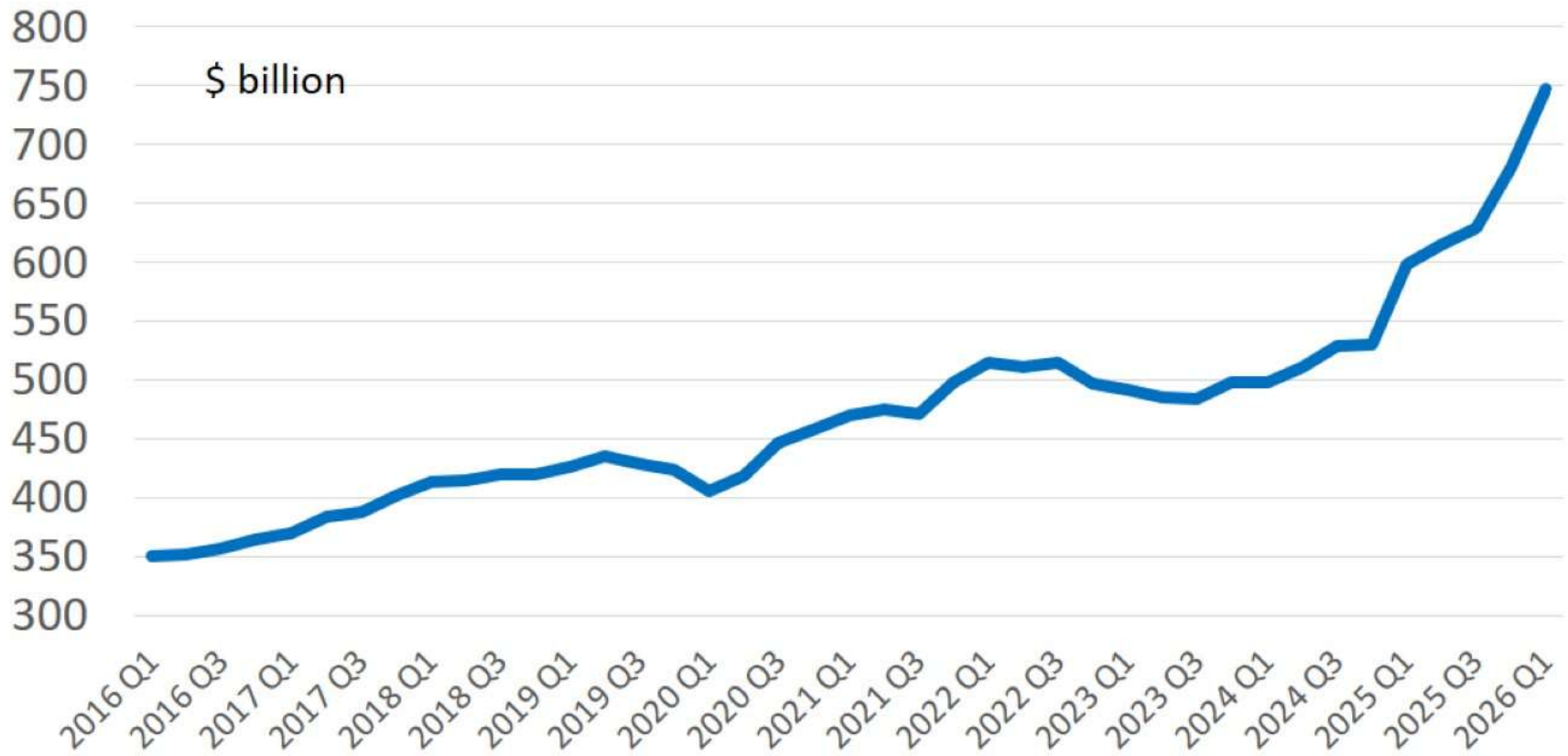
U.S. Dollar Strength ... Still Strong



Source: Federal Reserve

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AI-Related Business Investment Spending Boom



Source: Department of Commerce using constant 2017 dollars

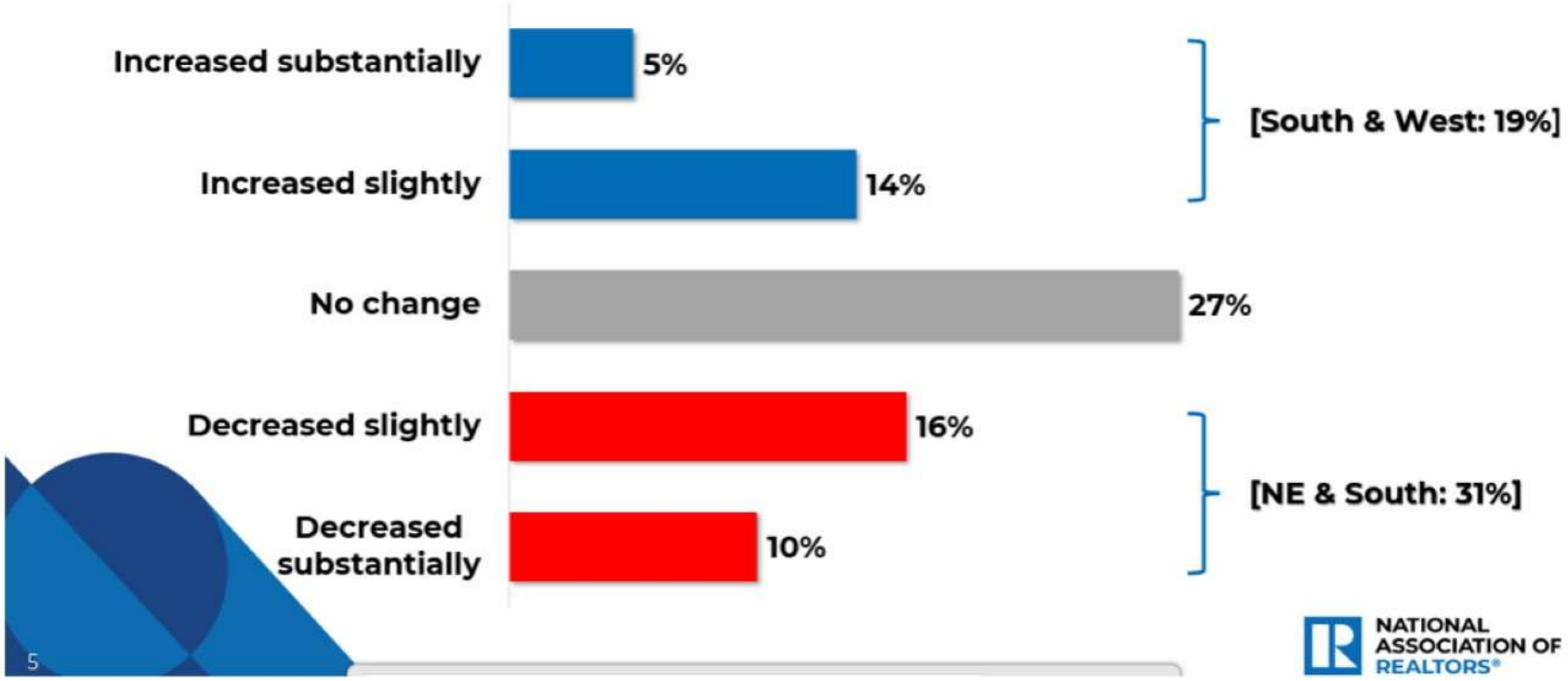
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AI needs Data Centers ...
No Negative Impact on Real Estate Prices

	TIER 1 No Physical DCs (0 Facilities)	TIER 2 Low (1-2 Facilities)	TIER 3 Medium (3-9 Facilities)	TIER 4 High (10+ Facilities)
Median 2024 Home Price	$174,600	$298,800	$390,300	$431,750
2014-2024 Appreciation	+64.1%	+72.5%	+98.3%	+95.0%

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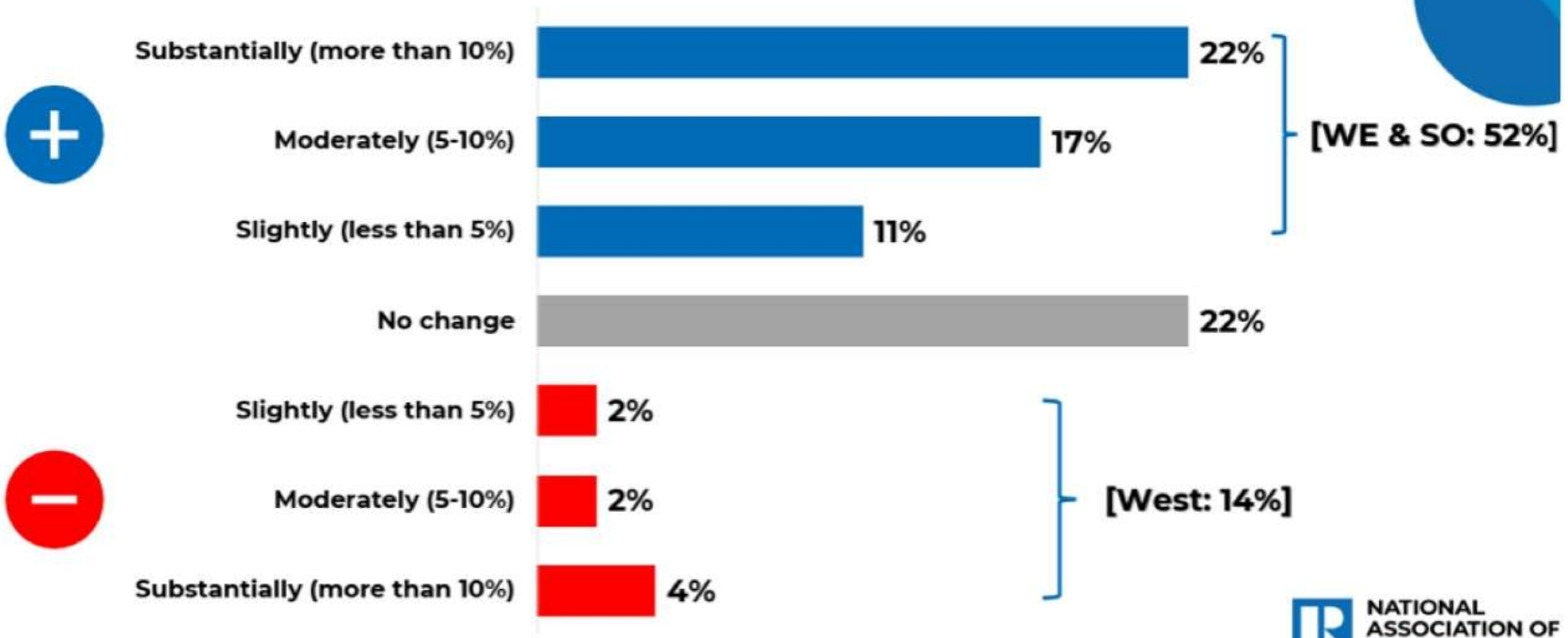
Perceived Lower Residential Demand Near Data Centers



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Perceived Higher Commercial Values Near Data Centers



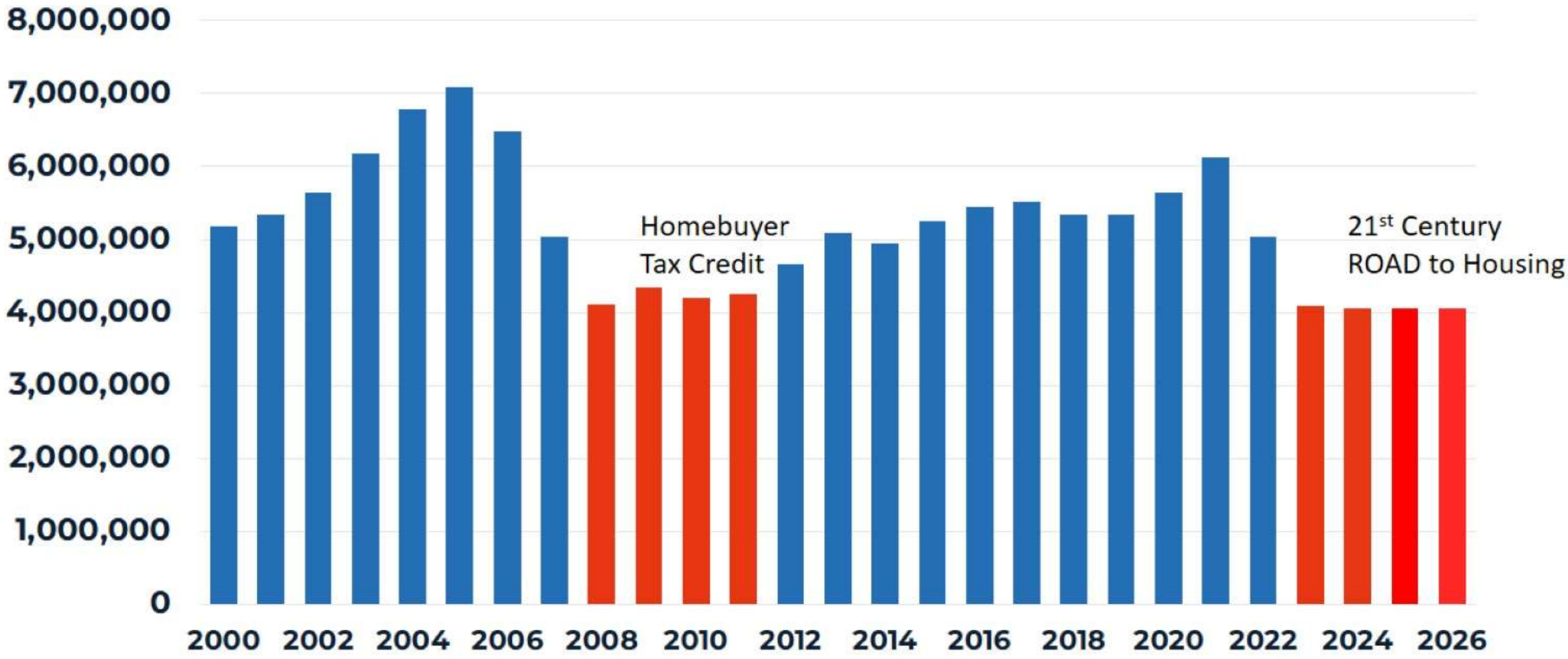
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Housing Market Dynamics

1. Home Sales Slump but Home Price Boom
2. Luxury Sales Outperforms
3. Seasonal Autumn/Winter Slowdown

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Annual Existing Home Sales



Source: NAR

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Local Market Update – August 2026

A RESEARCH TOOL PROVIDED BY LOUISIANA REALTORS®

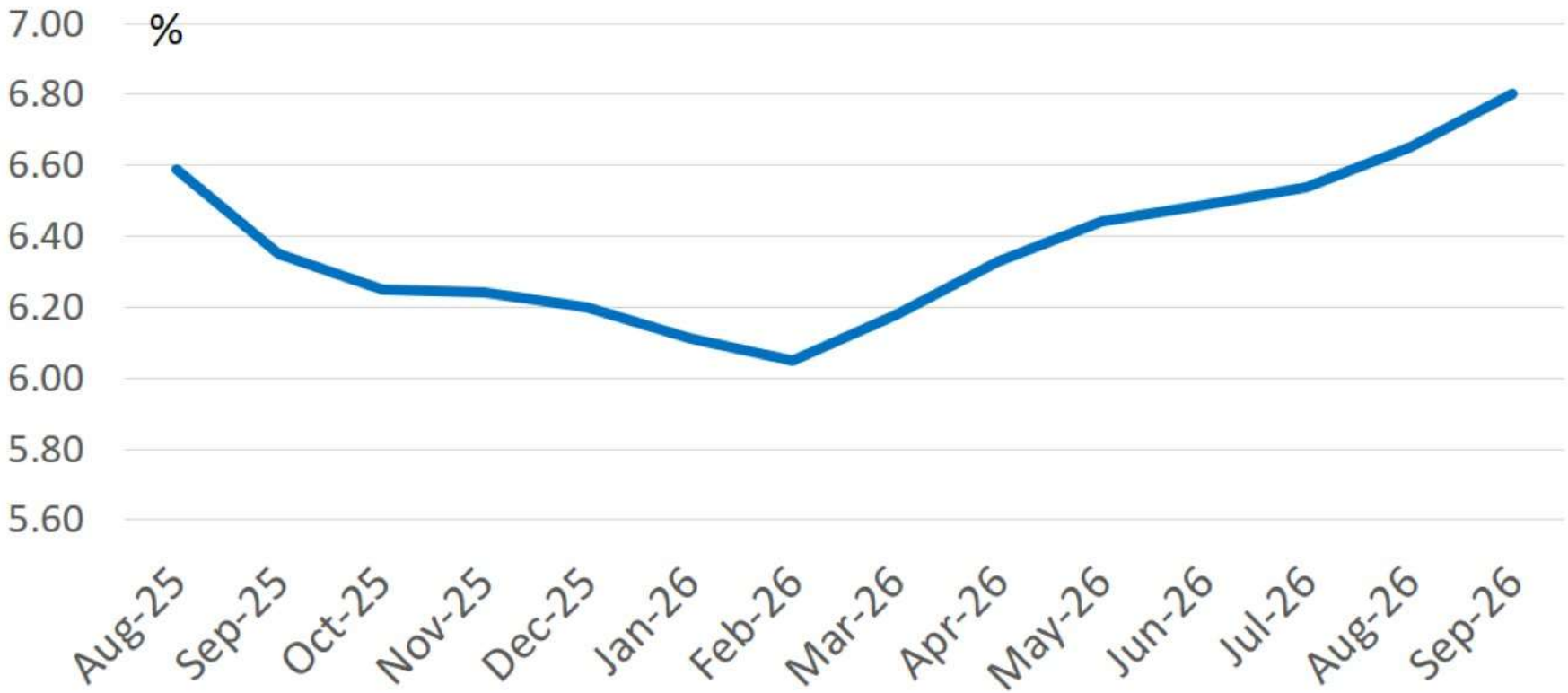
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Entire State

All Residential Properties	August			Year to Date		
Key Metrics	**2025**	**2026**	**% Change**	**Thru 8-2025**	**Thru 8-2026**	**% Change**
New Listings	5,224	**5,032**	- 3.7%	43,976	**43,358**	- 1.4%
Pending Sales	3,584	**3,681**	+ 2.7%	28,702	**30,181**	+ 5.2%
Closed Sales	3,748	**3,604**	- 3.8%	27,324	**28,561**	+ 4.5%
Days on Market Until Sale	72	**69**	- 4.2%	75	**75**	0.0%
Median Sales Price*	$250,000	**$254,000**	+ 1.6%	$247,900	**$255,000**	+ 2.9%
Average Sales Price*	$290,516	**$302,814**	+ 4.2%	$292,780	**$304,395**	+ 4.0%

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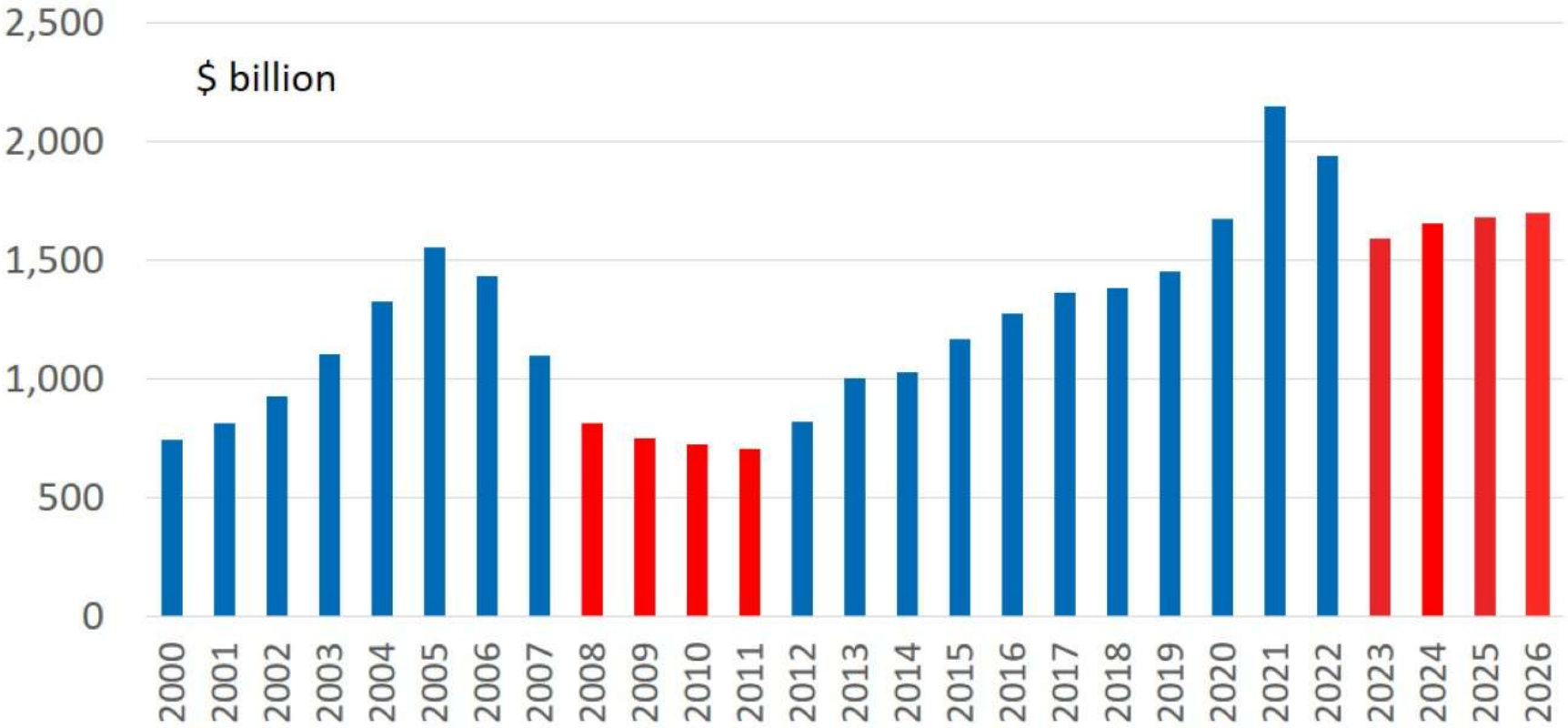
Mostly Stable Housing Despite Rising Mortgage Rates
(Average 30-year fixed rate)



Source: Freddie Mac

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3rd Best Sales Dollar Volume Revenue ... up 4% year-to-date
(growth especially in upper-end market)



Source: NAR

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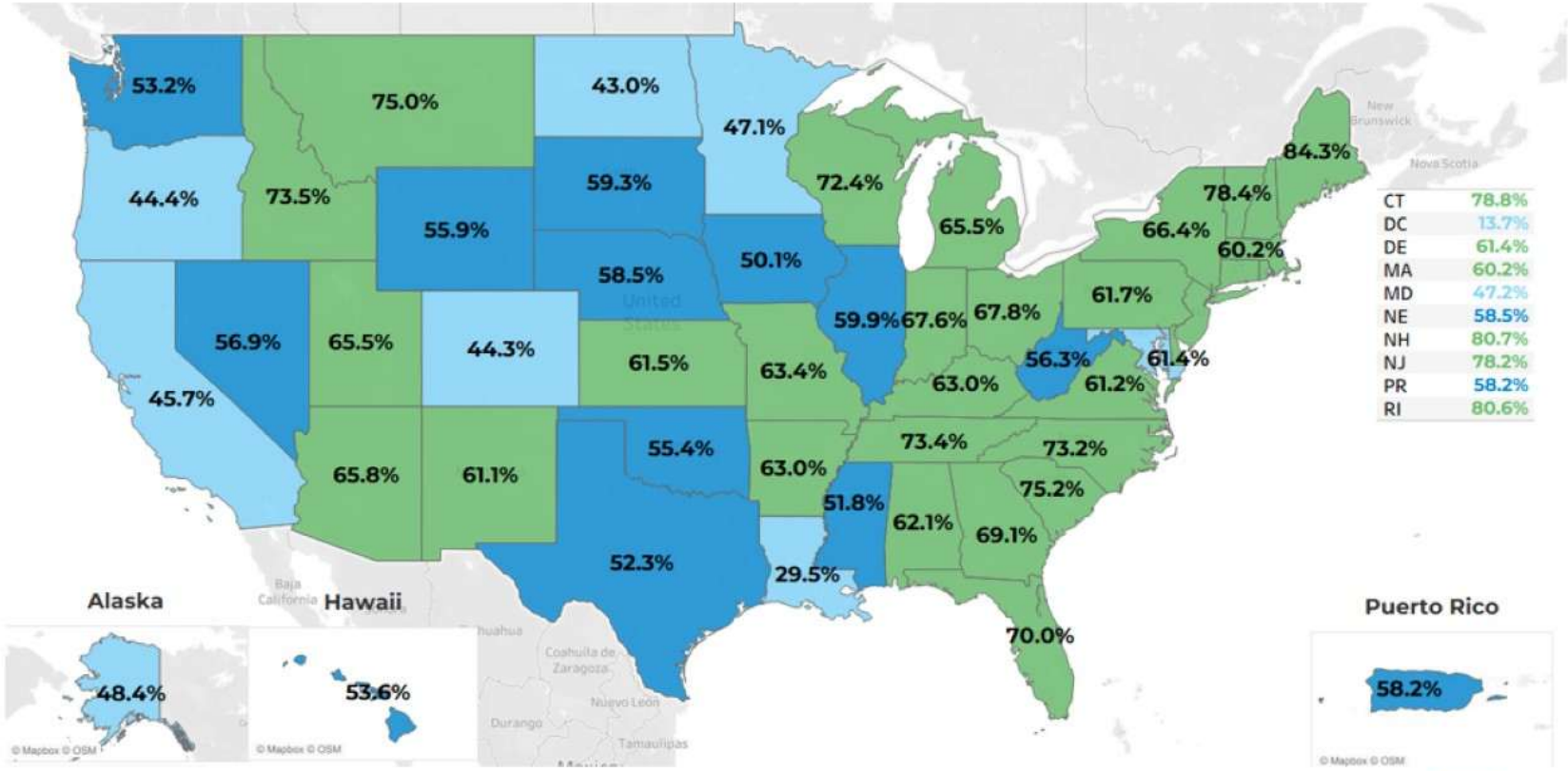
Median Existing Home Price
(up 1.7% from a year ago in August)



Source: NAR

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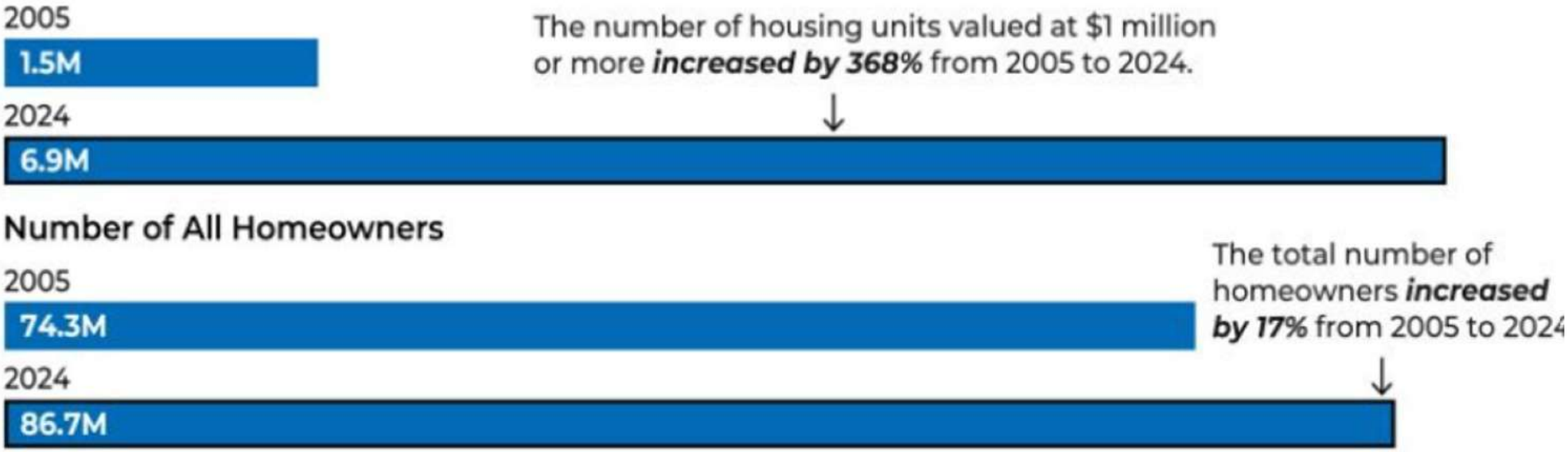
Growth in Dollar Volume due to Price Growth (Price Change from 2020 Q1 to 2026 Q2)



Source: NAR analysis of FHFA Price Index

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Rising Share of Million Dollar Homes



Source: NAR

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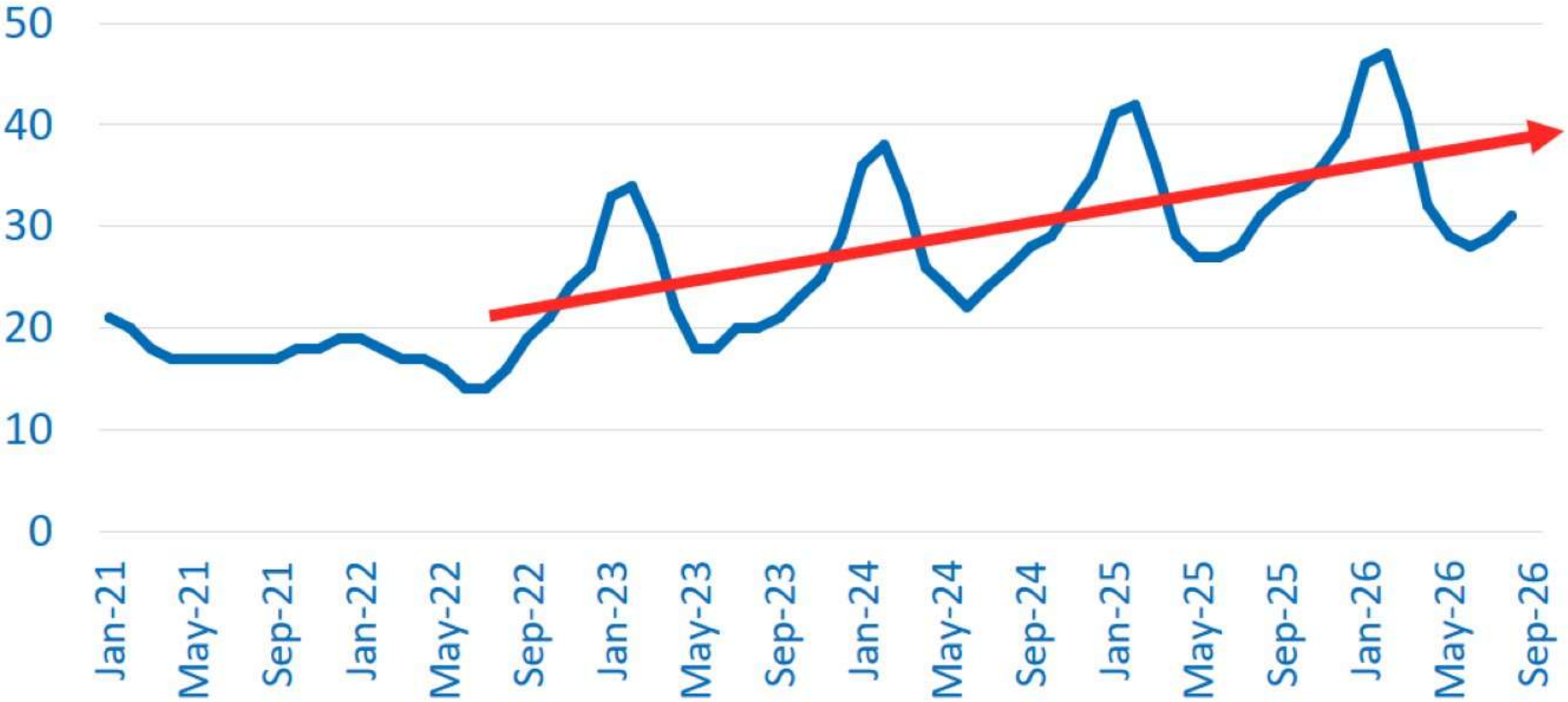
Most Inventory Choices since Pre-Covid



Source: NAR

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Median Days on Market
(31 Days from List to Contract in August)



Source: NAR

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Days-on-Market and Price Cuts
(As of 9-9-2026)

Days-on-Market	Active	Pending	Sold since 8/1/2026
	Avg % Cut	Avg % Cut	Avg % Cut
0 to 7	4.6%	6.2%	4.4%
8 to 14	4.2%	5.5%	4.6%
15 to 21	4.1%	5.1%	5.1%
22 to 30	4.3%	5.0%	5.7%
31 to 60	4.9%	5.7%	6.6%
61 to 90	5.9%	6.9%	8.3%
91 to 120	6.9%	8.1%	9.6%
120+	9.1%	10.7%	12.3%

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22 to 30	4.3%	5.0%	5.7%
31 to 60	4.9%	5.7%	6.6%
61 to 90	5.9%	6.9%	8.3%
91 to 120	6.9%	8.1%	9.6%
120+	9.1%	10.7%	12.3%

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Capital Gains Tax Hit from Sale of Home

	Currently	Scenario 1: 10% price increase	Scenario 2: 20% price increase	Scenario 3: 30% price increase
Number of Married owners — exposed households	5,483,701	7,758,417	10,094,551	12,829,215
Number of Single owners — exposed households	7,616,519	9,714,104	12,053,334	14,328,637
Number of All Homeowners exposed	**13,100,220**	**17,472,521**	**22,147,885**	**27,157,852**

Source: NAR Research

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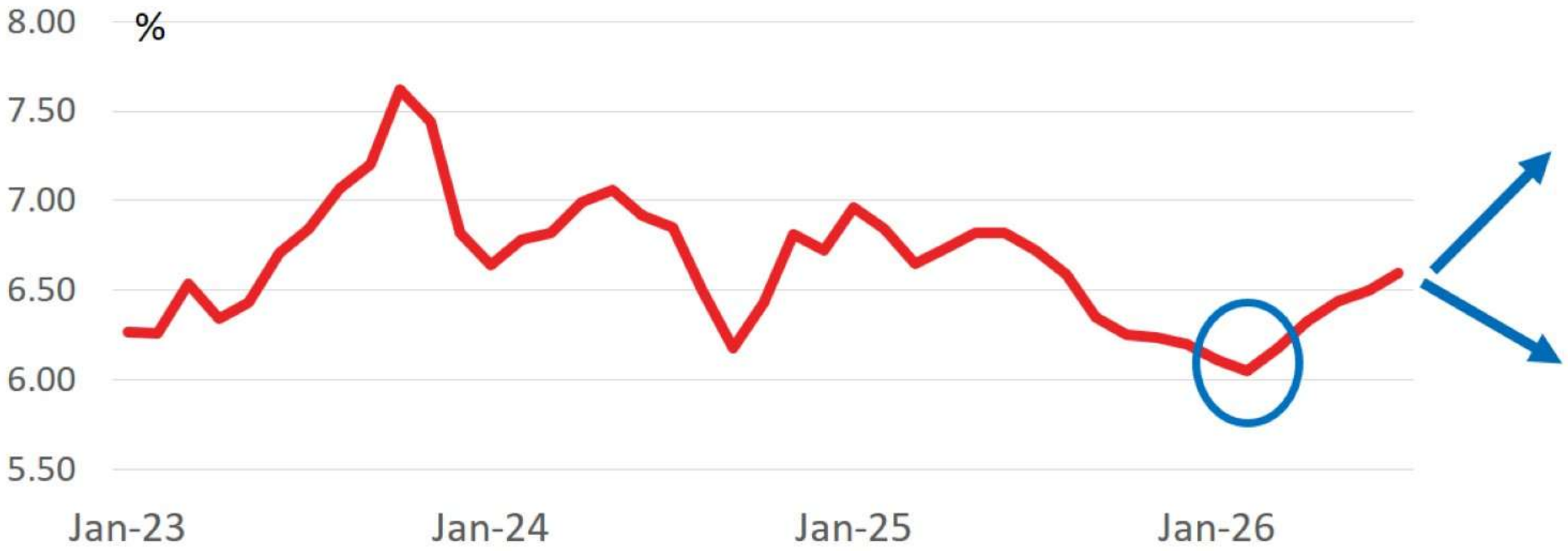
Economy and What to Expect

1. Uncertain Mortgage Rates
2. K-Shaped Economy
3. Soft Job Additions
4. Local Market Variations

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Mortgage Rate Outlook?

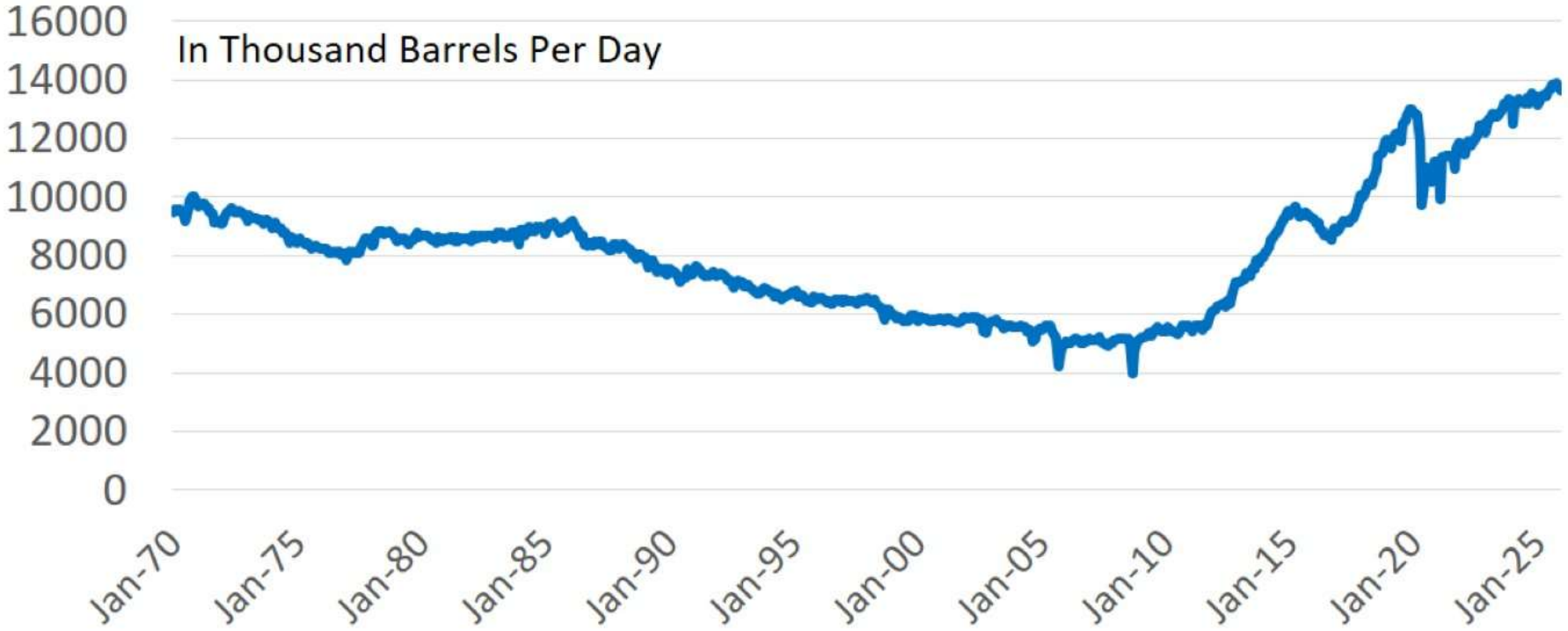
... lowest in 4 years back before the oil price shock



Source: Feddie Mac

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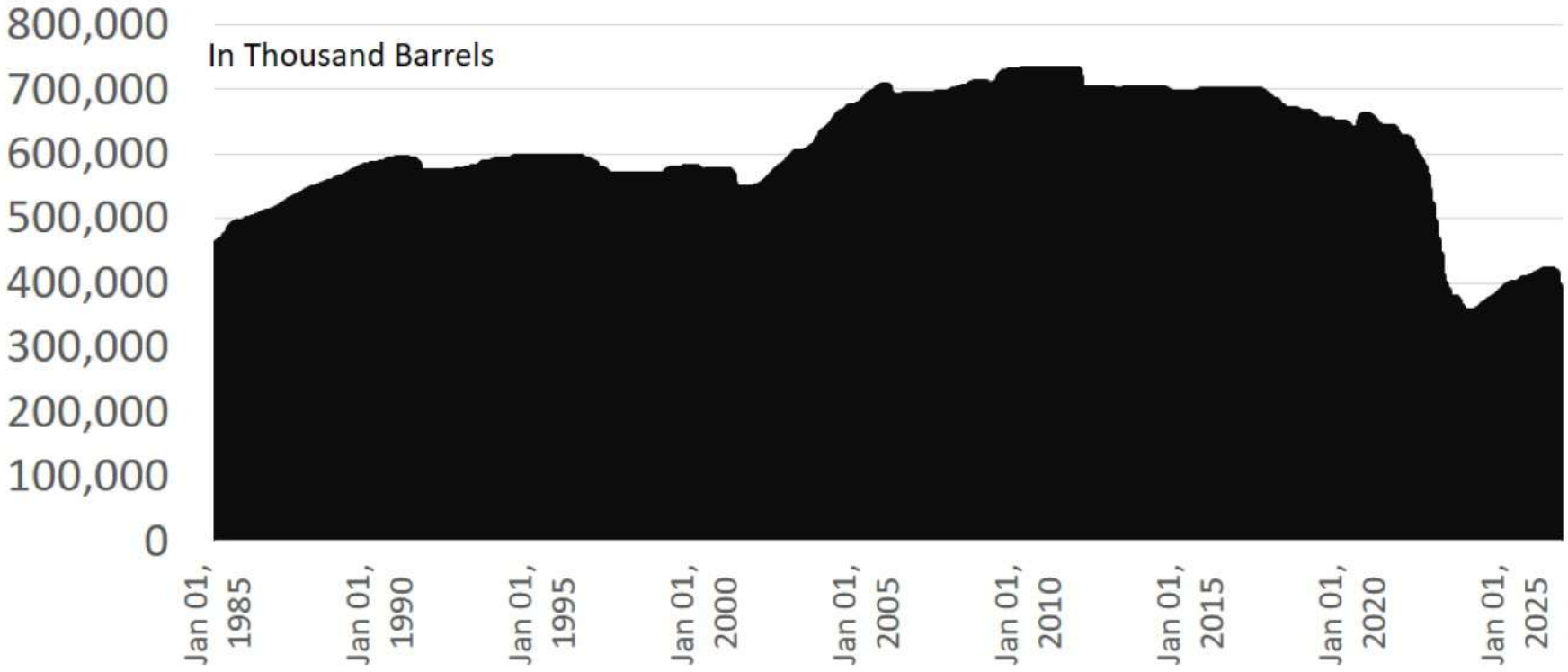
Massive Oil Production in U.S.



Source: U.S. Energy Information Administration

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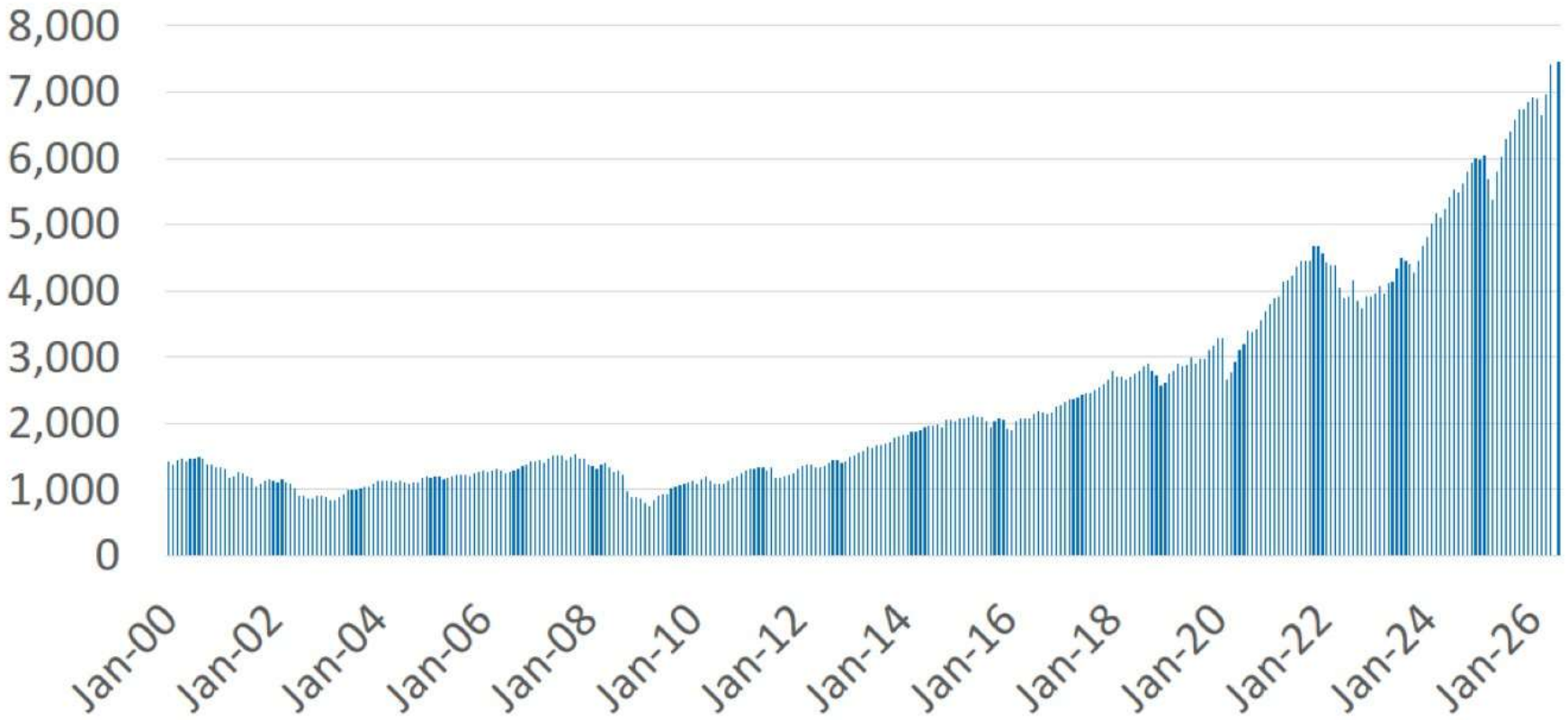
But Very Low Strategic Petroleum Reserve



Source: U.S. Energy Information Administration

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Stock Market Boom … S&P 500 Index

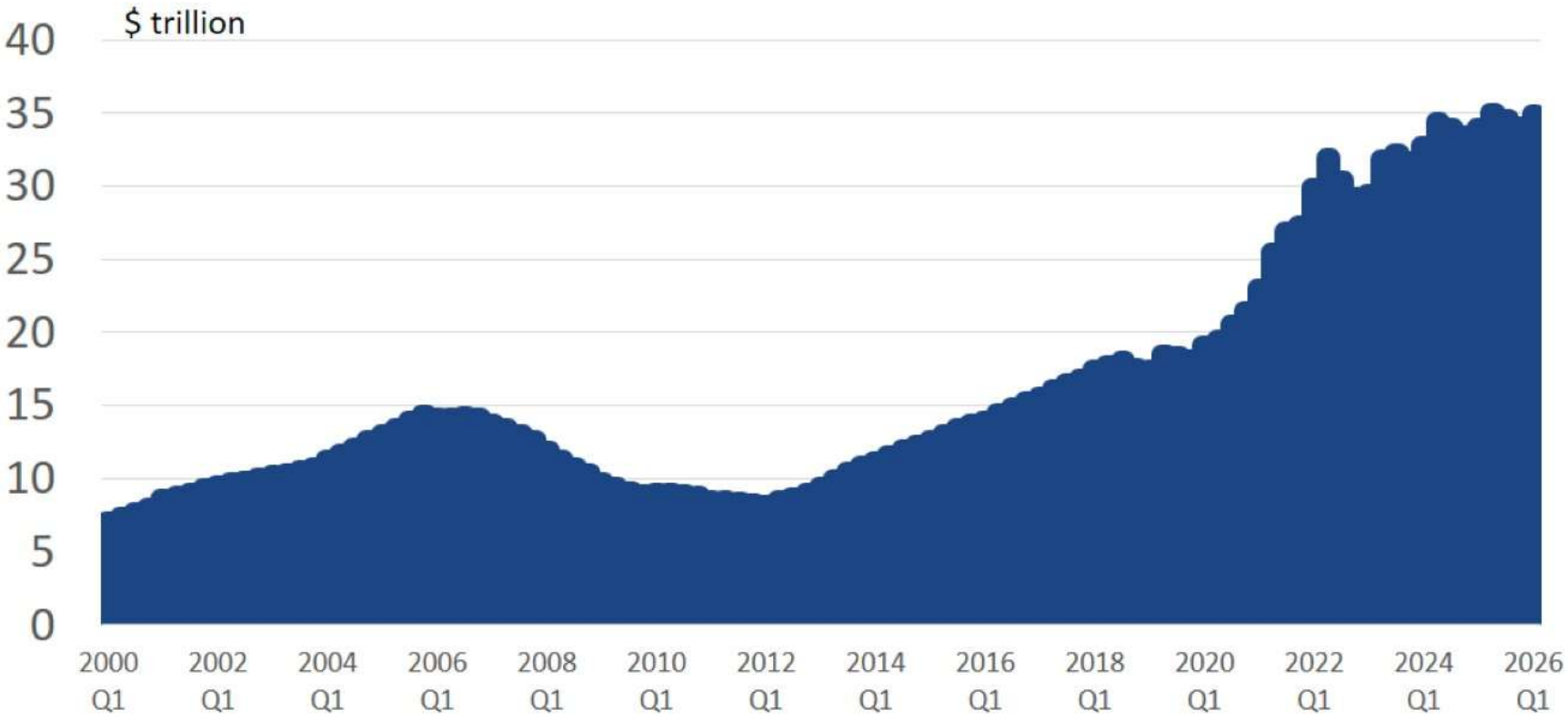


Source: Standard & Poor's

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Households' Real Estate Net Worth at $35 trillion

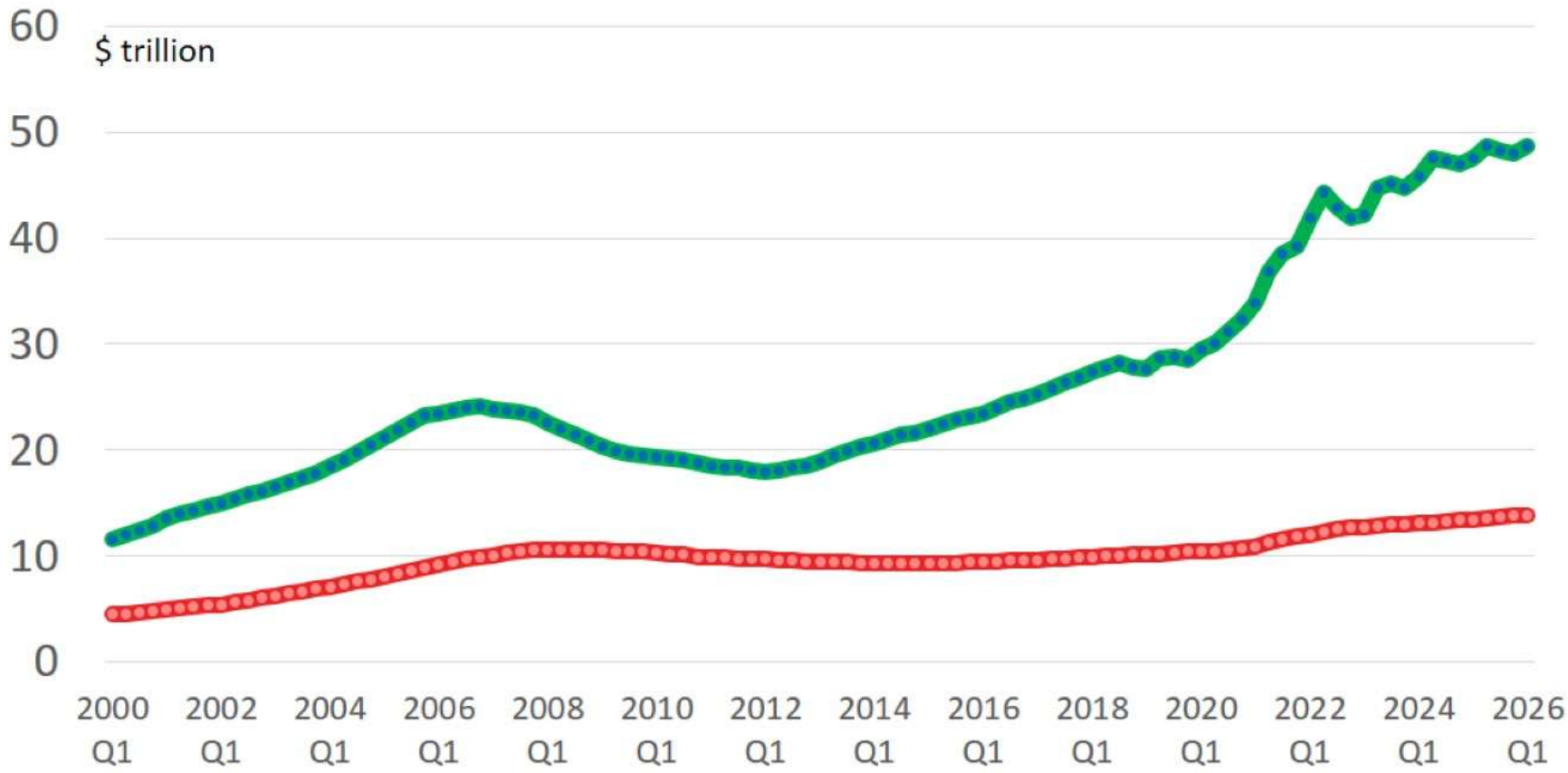
(Valuation minus Mortgage Debt)



Source: Federal Reserve

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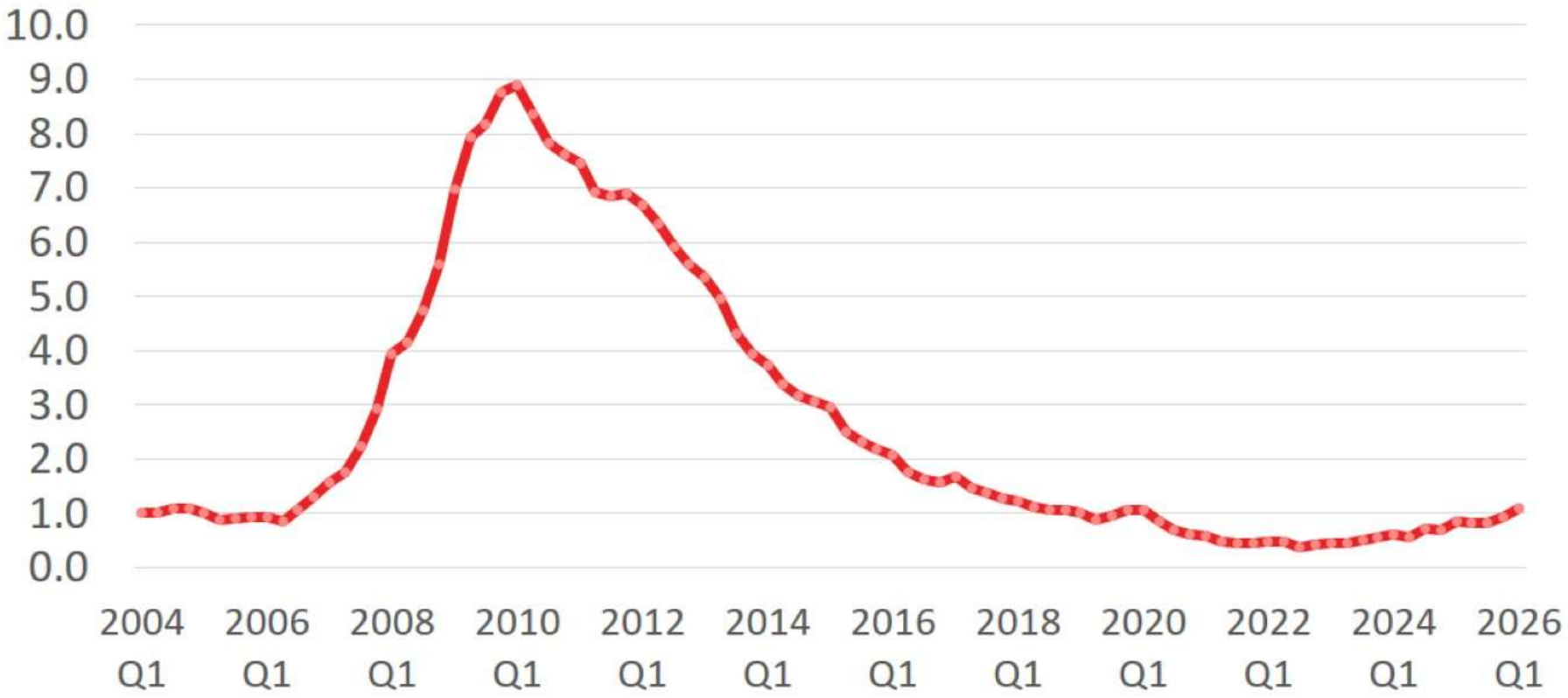
Aggregate Valuation Exceeds Aggregate Mortgage Debt



Source: Federal Reserve

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Mortgage 90+ Days Delinquency



Source: Federal Reserve Bank of NY

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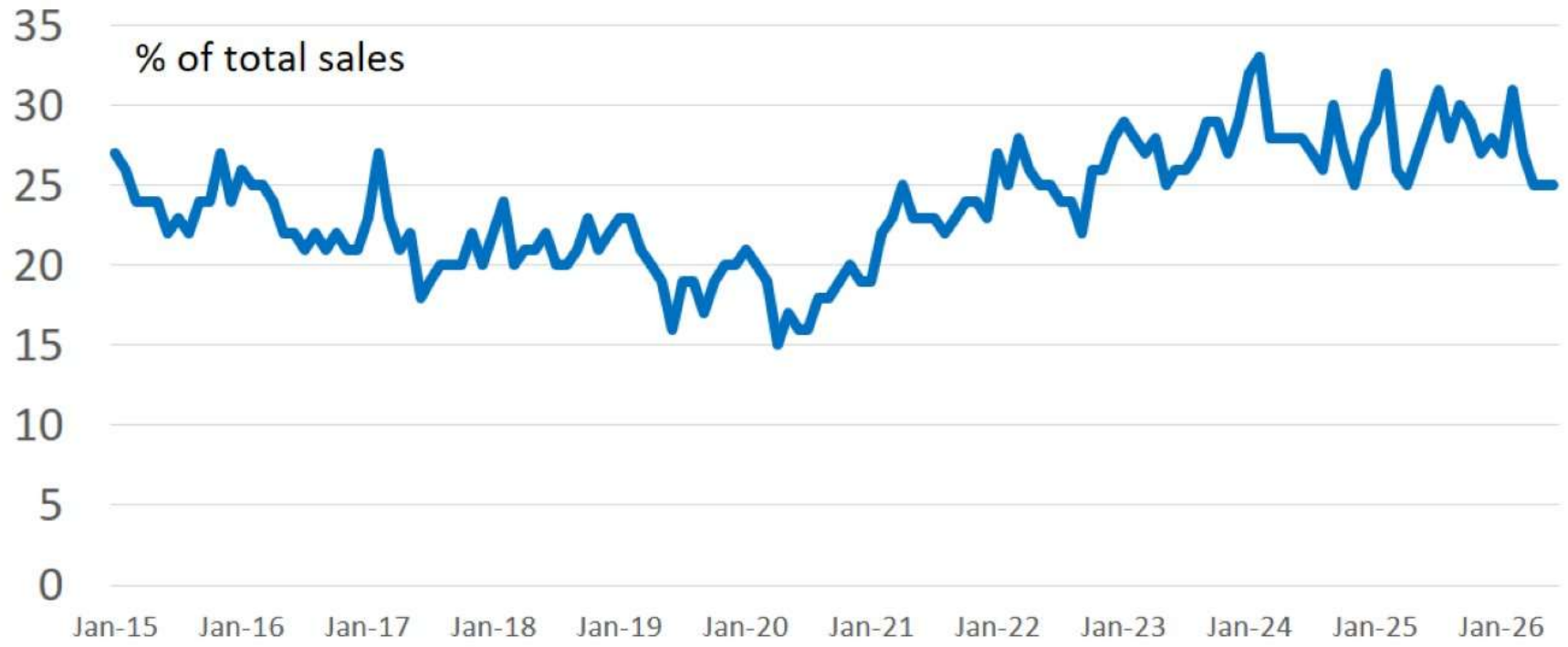
Distressed Property Sales



Source: NAR

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All Cash Purchases ... Elevated



Source: NAR

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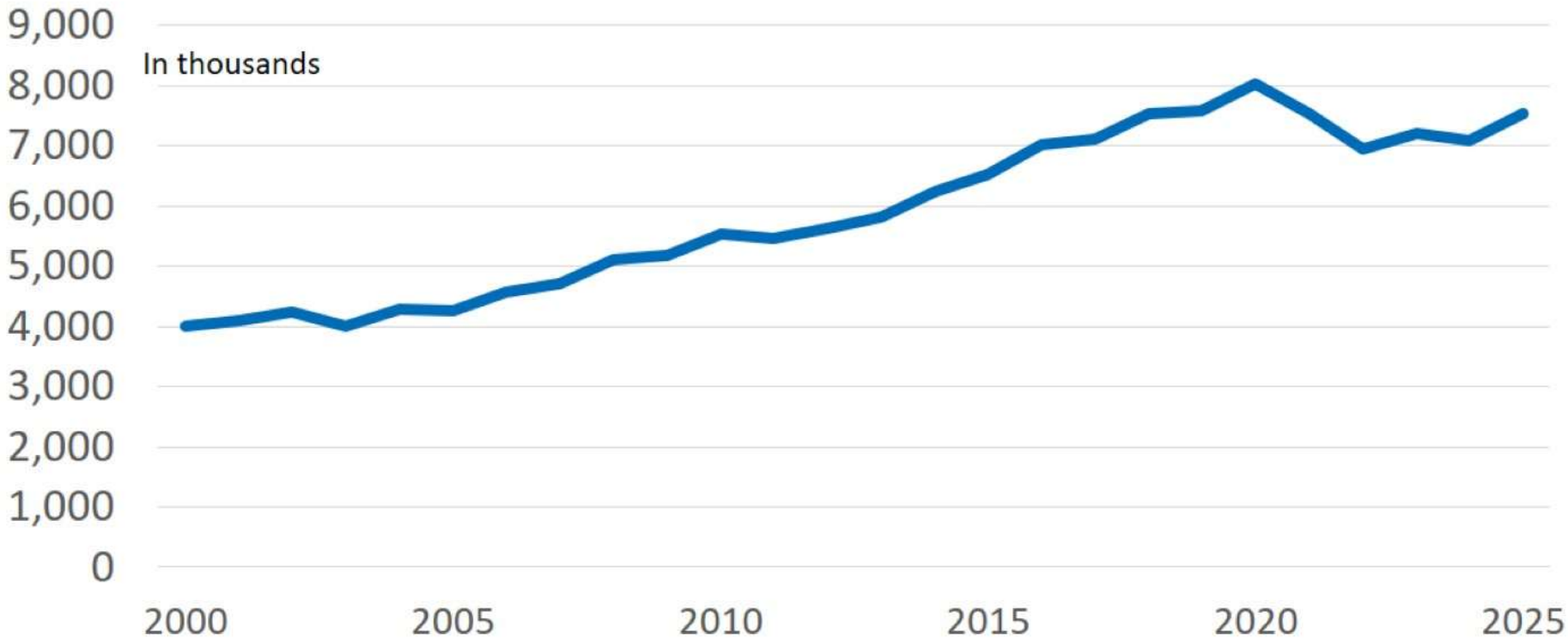
Consumer Sentiment: K-Shaped Economy (Overall Index)



Source: University of Michigan

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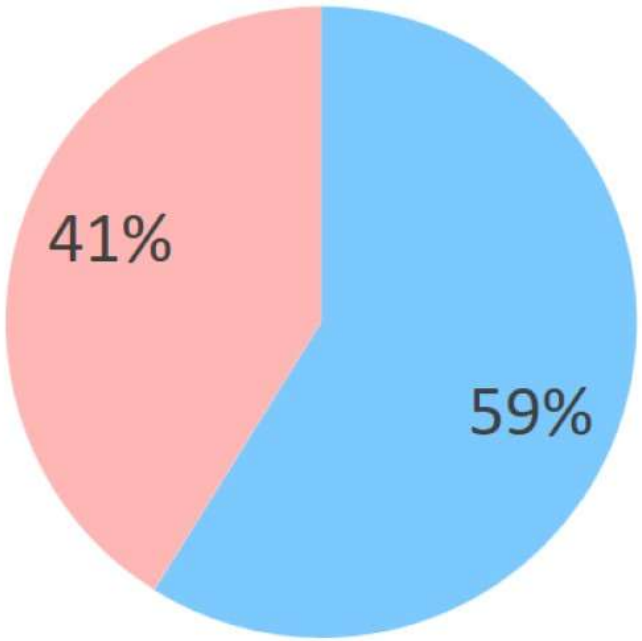
Young Adults Living at Home (age 25-34)



Source: Census

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Mostly Young Adults Males Living at Home (age 25-34)



Source: Census

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Falling Labor Force Participation Rate

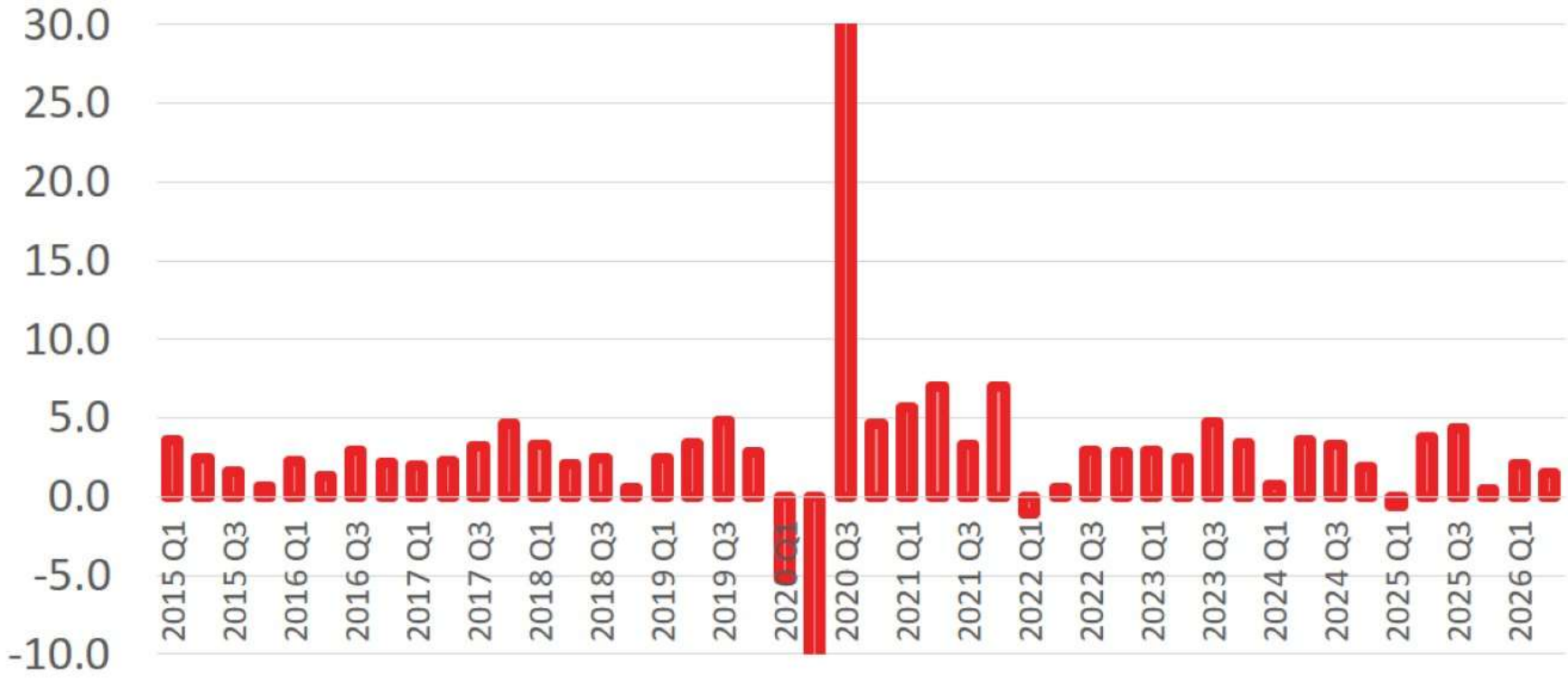
Where is the Work Spirit?



Source: BLS

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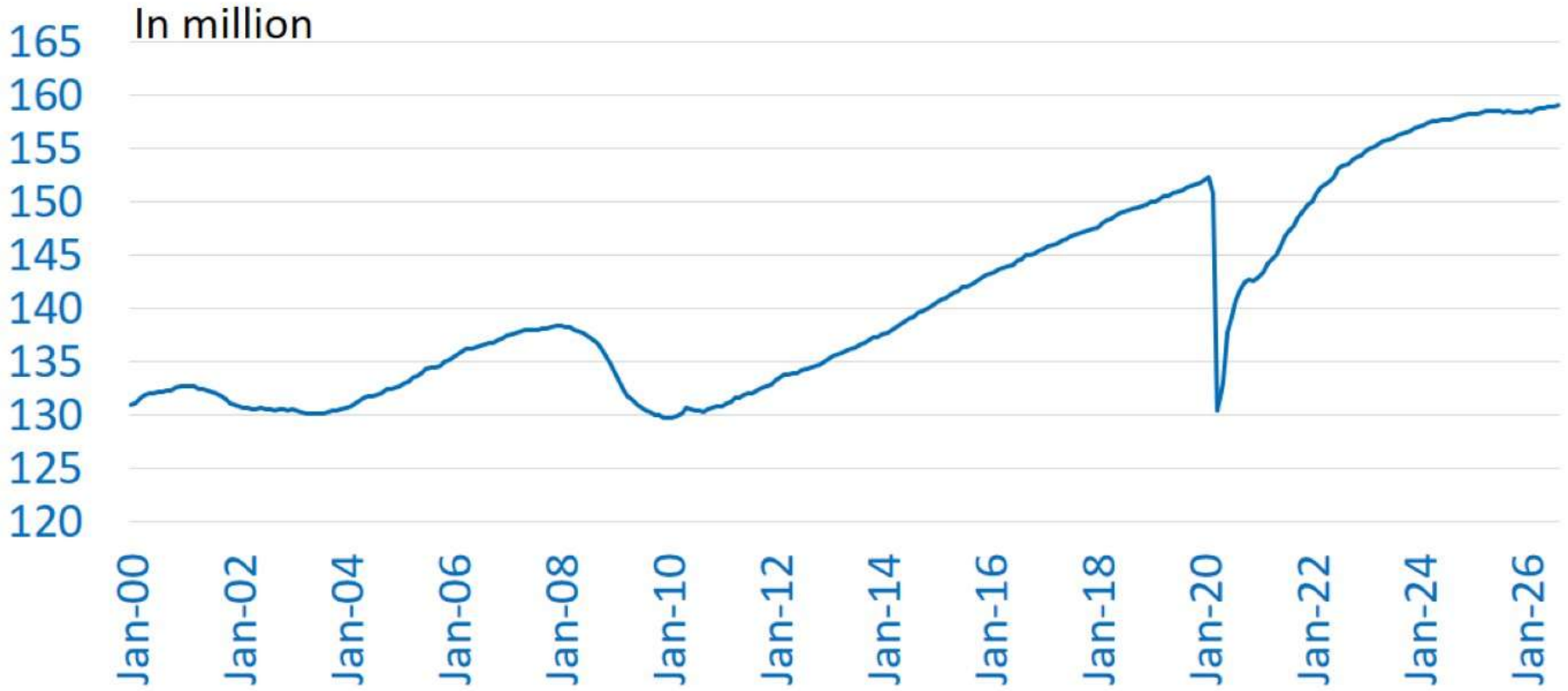
GDP Annualized Growth Rate 1.5% in Q2 … Not in Recession … Q3 to be above 3%



Source: Department of Commerce

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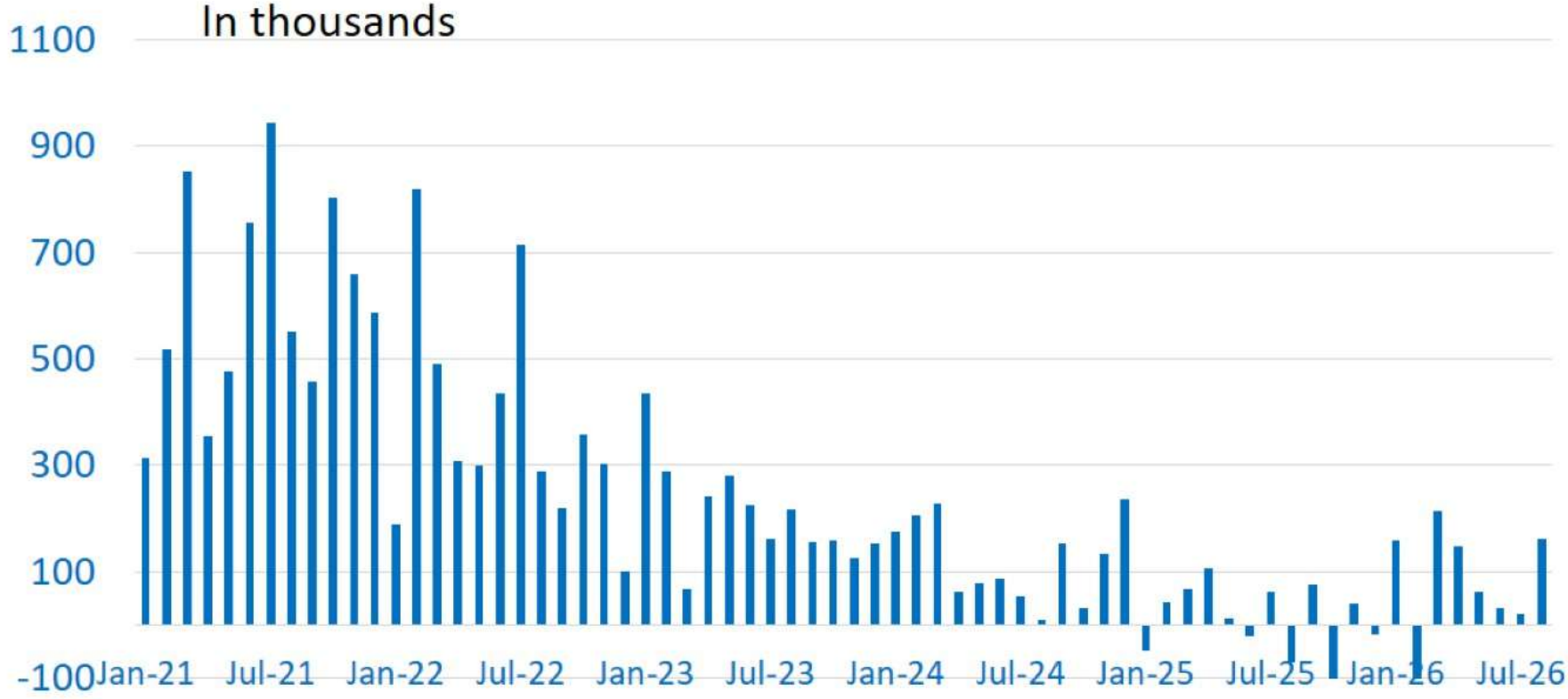
Total Payroll Jobs to August 2026



Source: BLS

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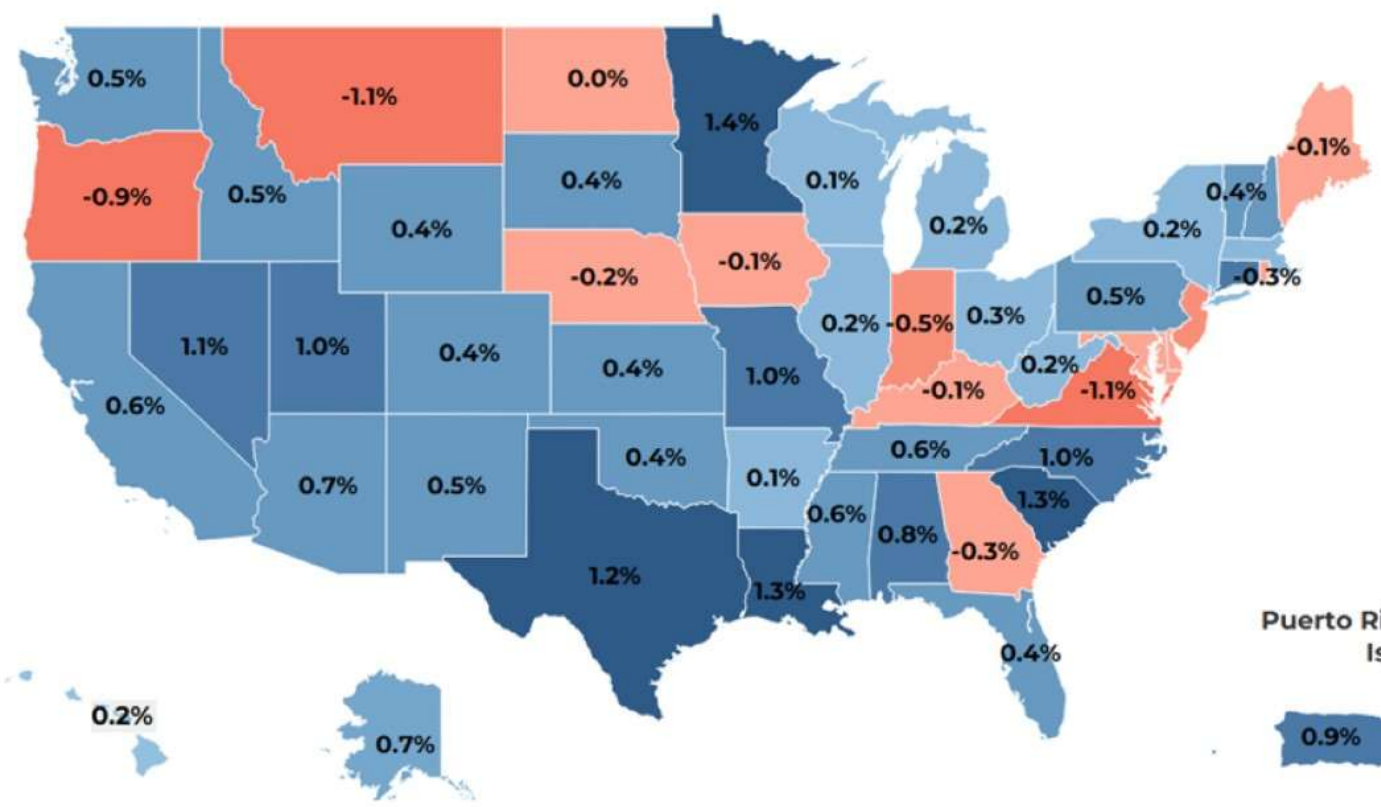
Net New Jobs Per Month
+162,000 in August; +643,000 year-to-date



Source: BLS

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One–year Payroll Job Gain
(% change July 2025 to July 2026)

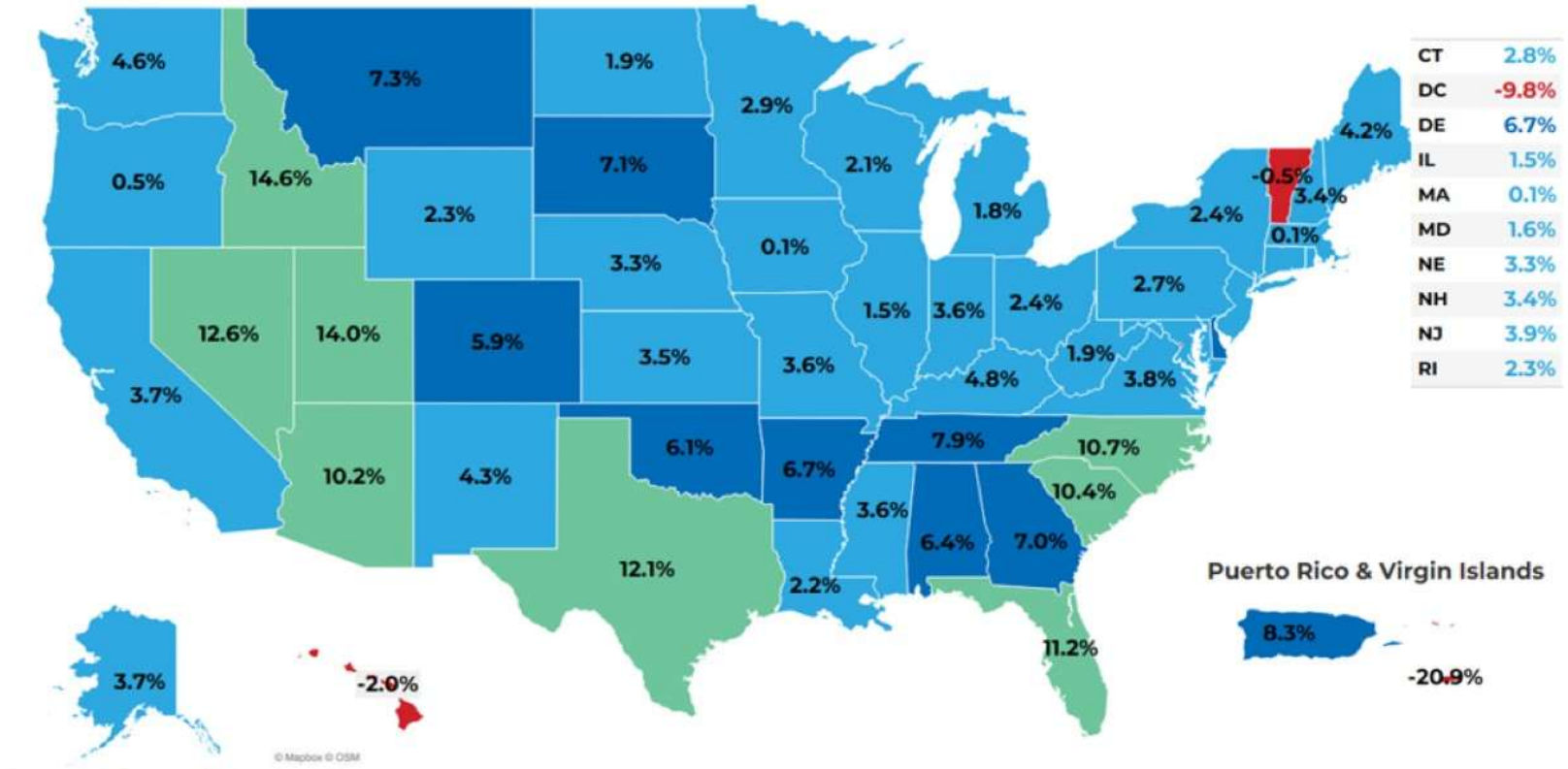


CT	0.8%
DC	-4.2%
DE	-0.2%
IL	0.2%
MA	0.2%
MD	0.0%
NE	-0.2%
NH	0.5%
NJ	-0.4%
RI	-0.3%

Source: NAR Analysis of BLS data

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Job Gains Since Pre-COVID
(% change from March 2020 to July 2026)



CT	2.8%
DC	-9.8%
DE	6.7%
IL	1.5%
MA	0.1%
MD	1.6%
NE	3.3%
NH	3.4%
NJ	3.9%
RI	2.3%

Source: U.S. Bureau of Labor Statistics

Source: NAR Analysis of BLS data

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Payroll Jobs in New Orleans



Source: BLS

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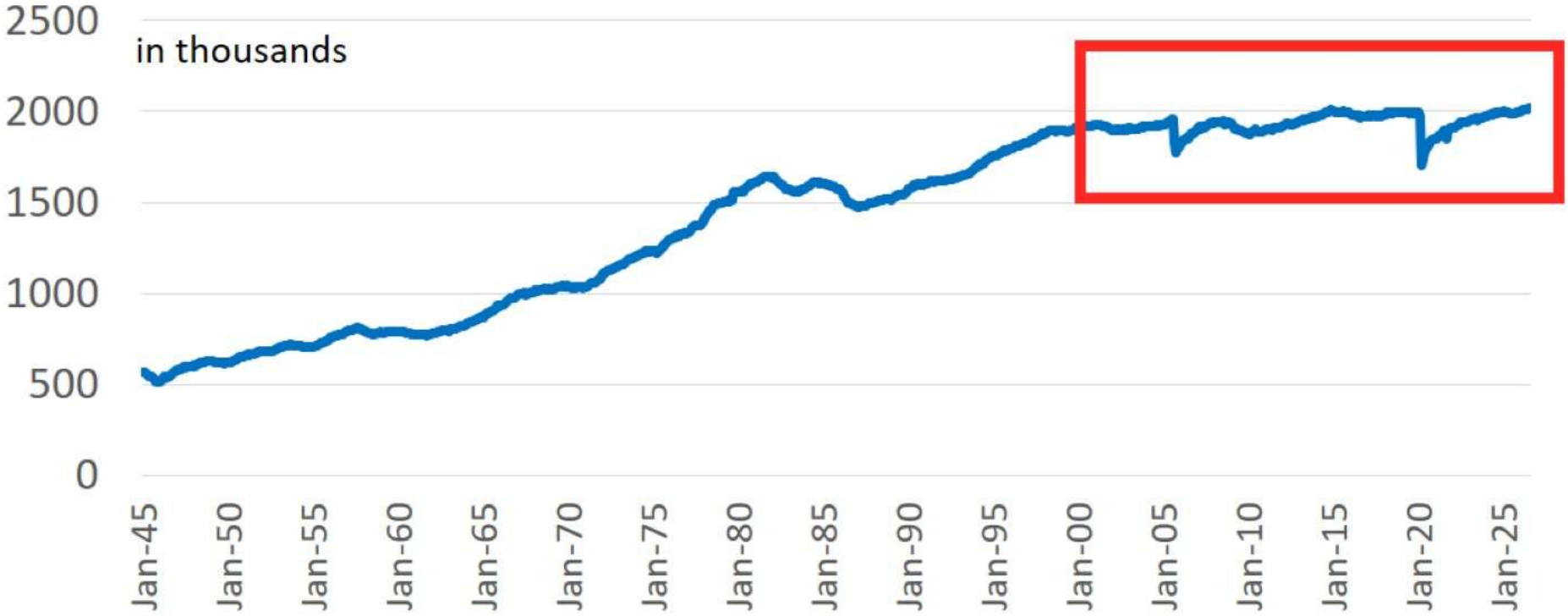
Payroll Jobs in Baton Rouge
70% growth from 1990



Source: BLS

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Payroll Jobs in Louisiana from 1945



Source: BLS

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Residential Market Forecast – No Recession

	2025	2026
Existing-Home Sales	+0%	+0% to +2%
New Home Sales	-2%	-5%
Median Home Price	+3%	+2%
Mortgage Rate	6.7%	6.8%
Job Gains	0.2 million	0.4 million
Unemployment Rate	4.3%	4.3%

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Mortgage Rates Drop in 2027 ! ?

1. AI Boom Craze boost Worker Productivity …
   Lowers inflation pressure … Lower Interest Rates

2. AI Boom Craze turns out to be a Bubble …
   Stock Market Crash … Lower Interest Rates

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We Want YOUR Feedback

- Email us questions for Ask the Economist videos
- Suggestions for new research
- Questions NAR Research should tackle

- We want to hear from you!

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